

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

DIGEO, INC.,

Plaintiff,

v.

AUDIBLE, INC.,

Defendant.

CASE NO. C05-464JLR

ORDER

**I. INTRODUCTION**

This matter comes before the court on the parties' request for construction of the claim terms at issue in this patent infringement action. The court has reviewed the parties' briefing and supporting materials, and has heard oral argument at a February 27, 2006 Markman hearing. This order memorializes the court's claim construction.

**II. BACKGROUND**

Plaintiff Digeo, Inc. ("Digeo") is the assignee of United States Patent No. 5,734,823 (the "'823 Patent"), which covers a system for distributing electronic information from a central information bank to units on a network. Defendant Audible, Inc. ("Audible") distributes audio media content over the internet. Digeo claims that Audible's distribution system infringes the '823 Patent.

Because the prosecution history of the '823 Patent figures prominently in the parties' claim construction arguments, the court summarizes it here. The '823 Patent's

1 oldest parent is United States Patent Application No. 07/787,536 (the “‘536  
2 Application”). Michael Saigh was the sole inventor listed on the application, which he  
3 filed in November 1991. He eventually abandoned the application.

4 In August 1994, Mr. Saigh filed a continuation of the ‘536 Application, United  
5 States Patent Application No. 08/296,120 (the “‘120 Application”).<sup>1</sup> After another  
6 continuation, the ‘120 Application issued as United States Patent No. 5,734,891 (the  
7 “‘891 Patent”), which is not at issue in this action. The ‘891 Patent focused on a  
8 “personal library apparatus,” a device that a user could employ to receive information  
9 from the information distribution network. The ‘891 Patent issued on March 31, 1998,  
10 the same date as the ‘823 Patent.

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12 In December 1994, three other inventors joined Mr. Saigh in filing United States  
13 Patent Application No. 08/367,056 (the “‘056 Application”), a continuation-in-part of  
14 the ‘120 Application. The inventors rewrote the specification when they submitted the  
15 ‘056 Application. Whereas the ‘120 Application focused on the user’s device for  
16 receiving and storing content from the information network, the ‘056 Application  
17 focused on the network itself.

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19 The four inventors abandoned the ‘536 Application and filed a continuation in  
20 July 1996, United States Patent Application No. 08/687,292 (the “‘292 Application”).  
21 The ‘292 Application issued as the ‘823 Patent on March 31, 1998.

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25 <sup>1</sup>The first page of the ‘823 Patent refers to the ‘120 Application as a “continuation-in-  
26 part,” an assertion at odds with the ‘120 Application and the ‘891 Patent. The court notes that  
27 the ‘120 Application uses the written description from the ‘536 Application without adding new  
28 matter, indicating that it is a continuation, not a continuation-in-part. See Applied Materials, Inc. v. Advanced Semiconductor Materials Am., Inc., 98 F.3d 1563, 1579 (Fed. Cir. 1996) (Mayer, J., concurring) (differentiating continuations from continuations-in-part).

1 In the first step toward determining whether the '823 Patent is valid and whether  
2 Audible infringed it, the court must now construe the disputed patent terms.

### 3 III. ANALYSIS

4 Almost ten years ago, in Markman v. Westview Instruments, Inc., the Supreme  
5 Court placed sole responsibility for construing patent claims on the court. 517 U.S. 370,  
6 372 (1996). The Federal Circuit later established that the court construes claims purely  
7 as a matter of law. Cybor Corp. v. FAS Tech., Inc., 138 F.3d 1448, 1456 (Fed. Cir.  
8 1998) (applying de novo review to all claim construction issues, even “allegedly fact-  
9 based questions”). Executing the Markman mandate requires a court to interpret claims  
10 after giving the appropriate level of consideration to various sources of evidence.

11 Intrinsic evidence, which includes the patent and its prosecution history, is the  
12 primary source from which to derive a claim’s meaning. Phillips v. AWH Corp., 415  
13 F.3d 1303, 1314 (Fed. Cir. 2005) (en banc). A patent is composed of three parts: (1) a  
14 “written description,” an often lengthy exposition of the background of the invention, at  
15 least one embodiment of the invention, and other written material that assists in  
16 understanding how to practice the invention; (2) (in most cases) a set of drawings that  
17 illustrates portions of the written description; and (3) the claims, which delimit the scope  
18 of the invention. General Foods Corp. v. Studiengesellschaft Kohle mbH, 972 F.2d  
19 1272, 1274 (Fed. Cir. 1992). Together, these three components make up the patent’s  
20 “specification.”<sup>2</sup> Atmel Corp. v. Information Storage Devices, Inc., 198 F.3d 1374, 1384  
21 (Fed. Cir. 1999); 35 U.S.C. § 112.

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27 <sup>2</sup>Although 35 U.S.C. § 112 includes the claims as part of the specification, many courts  
28 and practitioners use the term “specification” to refer to all portions of a patent except the  
claims. In most instances, the context will reveal what portion of the specification is at issue.

1 The prosecution history exists independently of the patent. It consists of the  
2 inventor's application to the United States Patent and Trademark Office ("PTO") and all  
3 correspondence between the PTO and the inventor documenting the invention's progress  
4 from patent application to issued patent. Vitronics Corp. v. Conceptronic, Inc., 90 F.3d  
5 1576, 1582 (Fed. Cir. 1996).

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7 In its review of intrinsic evidence, the court begins with the language of both the  
8 asserted claim and other claims in the patent. Phillips, 415 F.3d at 1314; Biagro  
9 Western Sales, Inc. v. Grow More, Inc., 423 F.3d 1296, 1302 (Fed. Cir. 2005) ("It is  
10 elementary that claim construction begins with, and remains focused on, the language of  
11 the claims."). The court's task is to determine the "ordinary and customary meaning" of  
12 the terms of a claim through the eyes of a person of ordinary skill in the art on the filing  
13 date of the patent. Phillips, 415 F.3d at 1313 (quoting Vitronics, 90 F.3d at 1582).  
14 Sometimes, the ordinary meaning is "readily apparent even to lay judges," in which case  
15 claim construction "involves little more than the application of the widely accepted  
16 meaning of commonly understood words." Id. at 1314.

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18 The court must read claim language, however, in light of the remainder of the  
19 specification. Id. at 1316 ("[T]he specification necessarily informs the proper  
20 construction of the claims."). In cases where the ordinary meaning of a claim term  
21 seems apparent from its use in the claim, the court must consult the specification either  
22 to confirm that meaning or to establish that the inventor intended a different meaning.  
23 Superguide Corp. v. DirecTV Enters., Inc., 358 F.3d 870, 875 (Fed. Cir. 2004). If the  
24 ordinary meaning is not apparent from its use in the claim, the court looks to the  
25 specification to provide meaning. Johnson Worldwide Assocs., Inc. v. Zebco Corp., 175  
26 F.3d 985, 990 (Fed. Cir. 1999). The specification acts as a "concordance" for claim  
27 terms, and is thus the best source beyond claim language for understanding claim terms.  
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1 Phillips, 415 F.3d at 1315. The inventor is free to use the specification to define claim  
2 terms as she wishes, and the court must defer to an inventor's definition, even if it is  
3 merely implicit in the specification. Id. at 1316 (“[T]he inventor’s lexicography  
4 governs.”), 1320-21 (noting that a court cannot ignore implicit definitions). The court  
5 should “rely heavily” on the specification in interpreting claim terms. Id. at 1317.

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7 When the court relies on the specification, however, it must walk a tightrope  
8 between properly construing the claims in light of the written description and the  
9 “cardinal sin” of improperly importing limitations from the written description into the  
10 claims. SciMed Life Sys., Inc. v. Advanced Cardiovascular Sys., Inc., 242 F.3d 1337,  
11 1340 (Fed. Cir. 2001); Phillips, 415 F.3d at 1323 (citing Comark Communications, Inc.  
12 v. Harris Corp., 156 F.3d 1182, 1186-87 (Fed. Cir. 1998)). A patentee often describes  
13 examples or “embodiments” of his or her invention in the written description, but courts  
14 may not limit the invention to an embodiment absent clear evidence that a patentee  
15 “intends for the claims and the embodiments . . . to be strictly coextensive.” Phillips,  
16 415 F.3d at 1323.

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18 Although a patent’s prosecution history is also intrinsic evidence, it is “less useful  
19 for claim construction purposes,” because it usually “lacks the clarity of the  
20 specification.” Id. at 1317. The prosecution history is useful, however, in determining  
21 if an inventor has disavowed certain interpretations of his or her claim language. Id.

22 Finally, the court can consider extrinsic evidence, “including expert and inventor  
23 testimony, dictionaries, and learned treatises.” Id. (citing Markman v. Westview  
24 Instruments, Inc., 52 F.3d 967, 980 (Fed. Cir. 1995)). Extrinsic evidence is usually “less  
25 reliable than the patent and its prosecution history” as a source for claim interpretation.  
26 Id. at 1318. The court thus need not admit extrinsic evidence, but may do so in its  
27 discretion if intrinsic evidence does not disclose the meaning of a claim term. Id. at  
28

1 1319; Vitronics, 90 F.3d at 1583 (“[W]here the public record unambiguously describes  
2 the scope of the patented invention, reliance on any extrinsic evidence is improper.”).

3 In this case, the court has considered the parties’ extrinsic evidence but declines  
4 to rely on it. The parties have asserted two kinds of extrinsic evidence: dictionary  
5 definitions of claim terms and expert testimony. For each disputed claim term, the  
6 intrinsic evidence is sufficient to either confirm that the inventors used the term in its  
7 ordinary sense or to reveal the precise departure from the ordinary meaning that the  
8 inventors intended. The court will not discuss the dictionary definitions of these claim  
9 terms, consistent with the Phillips court’s recognition that it is not necessary to do so.  
10 415 F.3d at 1318-19. For similar reasons, the court will not rely on the parties’ experts  
11 in construing the claims. See Trilogy Communications, Inc. v. Times Fiber  
12 Communications, Inc., 109 F.3d 739, 744 (Fed. Cir. 1997) (“When . . . the patent  
13 specification and the prosecution history adequately elucidate the proper meaning of the  
14 claims, expert testimony is not necessary and certainly not crucial.”). The intrinsic  
15 evidence provides an ample basis for interpreting the disputed terms of the ‘823 Patent.  
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18 With this general framework in mind, the court turns to the claim terms in  
19 dispute.

20 **A. “Communicatively Coupled” Means “Connected in a Way that Permits**  
21 **Communication.”**

22 **1. Ordinary Meaning**

23 The term “communicatively coupled,” which appears in asserted Claims 1, 6, 11,  
24 and 17, invariably describes the connection between a central information storage bank  
25 (the computer or array of computers that stores the universe of downloadable media  
26 content) and local units from which a user can download selected media. E.g., ‘823  
27 Patent Claim 1 (“at least one local unit communicatively coupled to said central  
28

1 computer”); Claim 19 (same); Claim 6 (“a first interface to be communicatively coupled  
2 to the central computer”). The ordinary meaning of the term “coupled” is “connected,”  
3 and the adverb “communicatively” suggests that the coupling is for the purpose of  
4 communication.

5 Digeo proposes a construction of “communicatively coupled” that reflects the  
6 term’s ordinary meaning. Audible, however, contends that the term is limited to  
7 couplings on an “integrated closed network.” At oral argument, Audible explained that  
8 an “integrated closed network” is a network that only preauthorized users can access.  
9 Audible does not contend that the “integrated closed network” limitation is inherent in  
10 the plain meaning of “communicatively coupled,” nor could it. Audible must, therefore,  
11 point to evidence of a “clear disavowal of claim scope” through “words or expressions  
12 of manifest exclusion or restriction.” ACTV, Inc. v. Walt Disney Co., 346 F.3d 1082,  
13 1091 (Fed. Cir. 2003).

## 14 2. Specification

15 The claim language and specification provide no support for Audible’s proposed  
16 construction, much less a “clear disavowal of claim scope” that would mandate a  
17 departure from the ordinary meaning of “communicatively coupled.” When pressed at  
18 oral argument to point to any disclosure of a “closed” network in the specification,  
19 Audible suggested that the description of a customer opening an account and obtaining  
20 an identification card was evidence that the patent disavows any “open” network. The  
21 disclosure, however, simply notes that in a “point of purchase delivery system”  
22 embodiment, the customer would obtain an access card before downloading content.  
23 ‘823 Patent at 10:40-11:17. The court is not at liberty to restrict the scope of the claims  
24 to conform to the description of an embodiment. Dow Chem. Co. v. Sumitomo Chem.  
25 Co., 257 F.3d 1364, 1378 (Fed. Cir. 2001) (“It is axiomatic that claims, not the  
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28

1 specification embodiments, define the scope of protection.”) (internal citation omitted).  
2 Even if the court were to limit the claims in accordance with the point of purchase  
3 embodiment, the embodiment does not require a “closed” network. Nothing in the  
4 description prohibits a user from accessing content without preauthorization.  
5 Authorization is necessary only if the user decides to *purchase* content.

6  
7 In contrast to the single inapposite disclosure in the specification that Audible  
8 identified, the specification repeatedly discloses the use of unrestricted networks over  
9 which local units and a central information bank are communicatively coupled:

10 Communication network links between the central information bank . . .  
11 and point of sale sites can be made utilizing one or a combination of many  
12 commercially available networks such as telephone, satellite or cable  
13 networks or any other medium suitable for transmitting information in a  
14 digitized format.

15 Id. at 5:21-27. The inventors also stated that one could use the internet as the  
16 “backbone” network for the invention. Id. at 5:28-30. The inventors *never* described the  
17 communication links between the central information bank and the local units as closed  
18 or restricted to preauthorized users. Instead, the means for protecting media content  
19 from unauthorized use are the encryption methods that the court will discuss later. See  
20 infra Part III.G; ‘823 Patent at 15:17-28. When the patentees wished to claim encryption  
21 methods, they did so by using explicit language covering encryption. The notion that  
22 the term “communicatively coupled” is limited to “closed” communication is  
23 inconsistent with the ‘823 Patent’s written description and claim language.

### 24 **3. Are Mr. Saigh’s Pro Se PTO Communications Part of the Prosecution** 25 **History?**

26 The bulk of the support for Audible’s proposed construction comes from the  
27 prosecution history. Before reviewing the history, however, the court must consider a  
28 dispute over whether it may consider certain communications from Mr. Saigh as part of



1 the prosecution history. Each of the challenged communications is physically part of the  
2 prosecution history, in the sense that each is part of the public record. Nonetheless,  
3 Digeo urges the court to ignore at least some of the communications. Audible contends  
4 that the court cannot ignore them.

5 The court first reviews the context of the challenged communications. Mr. Saigh  
6 executed a power of attorney during the prosecution of the '120 Application, and a joint  
7 power of attorney with the other three inventors on the '056 Application. PH at 500-  
8 244-45 ('120), 500-442-45('056).<sup>3</sup> Nonetheless, Mr. Saigh submitted "pro se"  
9 communications to the PTO on several occasions, in violation of PTO rules. See  
10 Manual of Patent Examining Procedure ("MPEP") § 403. In response, the PTO took  
11 actions suggesting that it ignored the pro se communications. E.g., PH at 500-321, 500-  
12 591. The PTO also suggested, however, that it substantively considered the  
13 communications. E.g., 500-597 ("Applicant's arguments filed 12/27/95 have been fully  
14 considered but they are not deemed to be persuasive."), 500-641 ("Applicant's  
15 arguments filed 12/27/95 and 7/25/96 have been fully considered but they are not  
16 deemed to be persuasive."). In the interim, Mr. Saigh purported to revoke the power of  
17 attorney. PH at 500-590. It is not clear whether the PTO applied the revocation  
18 prospectively or retrospectively. There are other entries that further complicate matters,  
19 but the court will summarize the situation succinctly: the prosecution history with  
20 respect to Mr. Saigh's communications is a big mess.

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24 Fortunately, the court need not serve as housekeeper. The court assumes for the  
25 purposes of claim construction that Mr. Saigh's communications are part of the

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27 <sup>3</sup>All citations to the prosecution history come from the sequential collection of each  
28 application's history. As each page number begins with "500-," the court will cite individual  
pages as "PH at 500-nnn," and ranges of pages as "PH at 500-nnn-nnn."

1 prosecution history, and that the court should examine them as it would any other entry  
2 in the prosecution history. It will become apparent that considering Mr. Saigh's  
3 communications does not prejudice Digeo.

#### 4 **4. Prosecution History**

5 The fuss over Mr. Saigh's communications with the PTO arises because he made  
6 statements that serve, in Audible's view, to sharply limit the scope of the claims,  
7 including the scope of the term "communicatively coupled." In a November 1995 office  
8 action, the PTO rejected all claims pending in the '056 Application because a disclosure  
9 in the October 1993 issue of the Heller Report (an educational technology newsletter)  
10 either anticipated the claims or made them obvious. PH at 500-572; Culbert Decl.  
11 Ex. A. In addition, the same office action contained a "Notice of References Cited," PH  
12 at 500-575, along with a notice that the "prior art made of record and not relied upon is  
13 considered pertinent to applicant's disclosure." PH at 500-573.

14 Although the PTO had not rejected any claims based on any prior art other than  
15 the Heller Report, Mr. Saigh chose to discuss every reference in the "Notice of Prior  
16 Art" when he responded to the November 1995 office action. In a section addressing  
17 United States Patent No. 5,221,838 (the "Gutman Patent"), Mr. Saigh offered several  
18 bases for differentiating his invention:  
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20  
21 While the Gutman device is to be used in connection with an unrelated  
22 network for the transmission of data electronically, *the Applicant Invention*  
23 *represents an integrated closed network* for the electronic transfer of data  
representing intellectual properties composed of many bytes of data.

24 PH at 500-581 (emphasis added).

25 While the Gutman device is not physically configured to make it suitable  
26 for reading or viewing intellectual properties comprised of many bytes of  
27 data, *the Applicant invention is a closed network* whose principal purpose  
28 would be the electronic transmission of such intellectual properties  
comprised of many bytes of data.

1 PH at 500-581 (emphasis added).

2 While it would be reasonable to assume that the Gutman device will be  
3 principally used by the end user to interface with electronic networks or  
4 devices of unrelated persons to receive, store and transmit data related to  
5 the user electronically, [sic]<sup>4</sup> *Most likely, the Applicant invention would*  
6 *represent a closed integrated network* for the transfer of intellectual  
7 properties for the creator or owner to one or more persons desiring to  
8 purchase or lease the use of the data being transferred.

9 PH at 500-582 (emphasis added). Audible contends that these disclosures limit the  
10 scope of the claimed invention, and the term “communicatively coupled,” to  
11 communication over a “closed integrated network.” Audible Br. at 13.

12 Audible seeks to invoke the doctrine of prosecution disclaimer. See Omega  
13 Eng’g, Inc. v. Raytek Corp., 334 F.3d 1314, 1323-25 (Fed. Cir. 2003). When a patentee  
14 has made “clear and unmistakable” statements disavowing claim scope, a court must  
15 interpret claims consistently with the disavowal. Id. at 1326; see also NTP, Inc. v.  
16 Research in Motion, Ltd., 418 F.3d 1282, 1309 (Fed. Cir. 2005) (requiring “words or  
17 expressions of manifest exclusion or restriction representing a clear disavowal of claim  
18 scope”). Ambiguous disclaimers do not limit claim scope. See Omega Eng’g, 334 F.3d  
19 at 1325-26; see also Sandisk Corp. v. Memorex Prods., Inc., 415 F.3d 1278, 1287 (Fed.  
20 Cir. 2005). A court can limit claim terms by prosecution disclaimer only when the  
21 patentee’s “arguments to the examiner have no reasonable interpretation other than to  
22 disavow” claim scope. Sandisk, 415 F.3d at 1287.

23 Mr. Saigh did not clearly and unmistakably disavow claim scope when he used  
24 the term “closed integrated network” during prosecution. Ambiguity pervades his  
25 statements. Mr. Saigh used the phrase, or variations of it, three times. In the first

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26 <sup>4</sup>Mr. Saigh’s communications to the PTO often contain typographical or grammatical  
27 errors. The court has attempted to reproduce them faithfully in its citations to the prosecution  
28 history.

1 instance, he arguably made a distinction giving meaning to the phrase “integrated closed  
2 network,” but it is not the distinction or meaning that Audible urges. The Gutman Patent  
3 describes a handheld “Electronic Wallet” used to conduct consumer transactions  
4 electronically. When Mr. Saigh described his invention as “an integrated closed  
5 network,” he was distinguishing it from the “unrelated network” over which the Gutman  
6 wallet would transmit data. PH at 500-581. Beyond the semantic difference between  
7 the phrases, it is unclear what distinction Mr. Saigh sought to draw. The court finds no  
8 basis, however, to conclude that he was limiting his invention to networks in which all  
9 access is preauthorized, much less that he did so clearly and unmistakably.

11 In the remainder of Mr. Saigh’s effort to distinguish the Gutman Patent, the  
12 phrases “closed network” and “closed integrated network” most likely carry the same  
13 meaning as they did in the instance the court described above. Mr. Saigh noted that the  
14 Gutman device was not suitable for “reading or viewing intellectual properties composed  
15 of many bytes of data,” and stated that his invention is a “closed network whose  
16 principal purpose” is to allow transmission of many bytes of data. PH at 500-581. Mr.  
17 Saigh thus distinguished the amount of data the two inventions were meant to transport;  
18 he imparted no additional meaning to the term “closed.” Similarly, in noting that the  
19 Gutman wallet connected the “end user” to “unrelated persons,” whereas his invention  
20 “represent[ed] a closed integrated network” for transfer between content owners and  
21 persons desiring to purchase or lease the content, PH at 500-581-82, Mr. Saigh  
22 distinguished his invention in a manner consistent with his initial use of the term “closed  
23 integrated network.” The court therefore assumes that Mr. Saigh used the term as he had  
24 previously, to distinguish the “unrelated network” on which the Gutman wallet operates.

27 Audible contends that Mr. Saigh described his invention as operating on an  
28 “open-ended” network in the ‘120 Application, suggesting that his later adoption of the

1 phrase “integrated closed network” was significant. The use of the term “open-ended,”  
2 however, only injects more ambiguity into the prosecution history. In distinguishing a  
3 prior art reference, Mr. Saigh noted that the “system described in the [prior art] is a  
4 closed network, in that, for the most part, the system will be housed and operated within  
5 the same vicinity or building.” PH at 500-332. By contrast, he deemed his invention an  
6 “open ended network,” because “the data may be flowing into and out of the network  
7 from many diverse locations many of which may be quite far from each other (they  
8 could be half a world away).” Id. Mr. Saigh made the same distinction in discussions of  
9 at least two other pieces of prior art. PH at 500-340, 500-343. Following Audible’s  
10 logic, when Mr. Saigh later allegedly limited his invention to a “integrated closed  
11 network,” he disavowed the practice of the invention on any network except one housed  
12 “in the same vicinity or building.” Such a limitation is preposterous in light of the  
13 specification and the claims. Indeed, the illustration on the first page of the ‘823 Patent  
14 shows a network operating across the United States.

17 In examining another prior art reference in the prosecution of the ‘120  
18 Application, Mr. Saigh declared that it did not matter whether his invention operated on  
19 a closed or open network. PH at 500-337 (“The Saigh Patent System *could be* operated  
20 as part of an open access system or network or a closed computer system or network.”)  
21 (emphasis added). This is consistent with the later entry in the prosecution history on  
22 which Audible urges the court to rely. PH at 500-582 (“*Most likely*, the Applicant  
23 invention would represent a closed integrated network for the transfer of intellectual  
24 properties . . .”) (emphasis added).

26 Mr. Saigh’s pro se contributions exemplify the Federal Circuit’s observation in  
27 Phillips that the prosecution history “often lacks the clarity of the specification and thus  
28 is less useful for claim construction purposes.” 415 F.3d at 1317. The court can only

1 speculate about why Mr. Saigh addressed the Gutman Patent at all, given that the PTO  
2 had not rejected any claims in light of it. In addressing the Gutman Patent, he may or  
3 may not have used variations of the phrase “integrated closed network” to make a  
4 distinction, but that distinction is murky at best. The court has noted that his references  
5 are subject to numerous interpretations. Audible cannot prevail merely by offering its  
6 best interpretation of Mr. Saigh’s statements, even if its interpretation is reasonable.  
7 Audible must show that Mr. Saigh clearly and unambiguously disavowed the practice of  
8 his invention on any network except one that required preauthorization before accessing  
9 it. It has not met that burden here.

11 For these reasons, the court interprets the term “communicatively coupled”  
12 consistent with its ordinary meaning and the specification of the ‘823 Patent. The term  
13 means “connected in a way that permits communication.”

14 **B. A “Local Unit” is “an Element of the Network Separate from the Central**  
15 **Information Bank.”**

16 The term “local unit” appears in asserted claims 1, 3, 11, 15, 17, 19, and 23. In  
17 each of the claims, the “local unit” is the unit that is “communicatively coupled” to the  
18 central information bank. The central information bank is presumptively at a distance  
19 from the end user, whereas the “local unit” is close to the user, because it is the device  
20 from which he or she can download content from the system. In this context, the  
21 ordinary meaning of the term “local unit” is a unit that is a member of a network that  
22 includes a central information bank, but is more “local” to the user than the central  
23 information bank. Again, Digeo’s proposed construction reflects the ordinary meaning.  
24 Again, Audible proposes a construction divorced from the ordinary meaning: “a self-  
25 service user interactive information vending device, such as a kiosk or book bank.”  
26 Audible Br. at 15.  
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1 Although the specification does not use the term “local unit,” it uses the words  
2 “unit” and “local” in a manner consistent with the ordinary meaning noted above. A  
3 “unit” is simply an element in the network. Sometimes it is an element contained within  
4 a larger element. E.g., id. at 2:52-53 (disclosing a “central processing unit contained  
5 within the Book Bank”); 7:43-45 (disclosing a central processing unit in a fileserver). In  
6 other instances, a “unit” may be a stand-alone element. E.g., id. at 14:9-10 (disclosing a  
7 separate “memory storage unit”); id. at 14:35-41 (disclosing promotional units).

9 The adjective “local” usually refers to a capability or feature contained within  
10 something, as opposed to a capability or feature that it must get from another unit or  
11 system. In this vein, the patent discusses a “customer service terminal” with “local  
12 processing capability,” id. at 7:33-34, and a “Book Bank” that contains “local memory  
13 storage,” id. at 2:44-45. In other disclosures, the specification uses “local” to refer to  
14 areas away from the central hub of a system. E.g., id. at 7:65-67 (discussing how  
15 external “network systems such as institutional or corporate network systems with local  
16 merchants terminals” can be coupled to the network).

18 The “local unit” of the asserted claims is a unit with particular capabilities that  
19 the surrounding claim language describes explicitly. In Claim 1, for example, the local  
20 unit must be communicatively coupled to the central computer, and it must include  
21 memory for storing information from the central computer, as well as a processor for  
22 transferring the stored information to a user’s storage media. The local unit must also be  
23 configured to dynamically encrypt information.

25 Despite these explicit limitations, Audible insists that the term “local unit”  
26 contains implicit limitations as well. Audible focuses on the “Book Bank,” which the  
27 specification describes as the “interface between the network and the user,” id. at 2:37-  
28 38, and explains that it is a “self-service, user interactive information vending device.”

1 Id. at 2:43-44. In “one embodiment,” the Book Bank is housed in a kiosk that permits an  
 2 in-store user to select and purchase media content. Id. at 8:14-38 & Fig. 5. The in-store  
 3 kiosk is merely an embodiment of a local unit, and the court declines Audible’s  
 4 invitation to treat it as a limitation on the term. See Dow Chem., 257 F.3d at 1378. The  
 5 specification’s description of the Book Bank as a “self-service, user interactive  
 6 information vending device” is not meant to limit the term “local unit,” but rather to  
 7 illustrate a local unit in accordance with the claims. Even if the court agreed that the  
 8 Book Bank is the only embodiment of a local unit in the specification, the Federal  
 9 Circuit has “expressly rejected” the notion that the court must construe the term in  
 10 accordance with a single embodiment. Phillips, 415 F.3d at 1323. Patentees are  
 11 encouraged to use examples to illuminate their claims. See id. (“[I]t is important to keep  
 12 in mind that the purposes of the specification are to teach and enable those of skill in the  
 13 art to make and use the invention and to provide a best mode for doing so.”). Absent a  
 14 clear disavowal of full scope of “local unit,” the court declines to penalize the inventors  
 15 of the ‘823 Patent for providing an example of their invention that is not as broad as the  
 16 scope of the patent.  
 17  
 18

19 For these reasons, the court construes the term “local unit” as “an element of a  
 20 network separate from the central information bank.”

21 **C. “Electronic Storage Media” is “Memory Configured to Store Information in**  
 22 **a Format that an Electronic Device Can Read” and “Storing, in Electronic**  
 23 **Form, Information” Means “Storing Information in a Format that An**  
 24 **Electronic Device Can Read.”**

25 The terms “electronic storage media” and “storing, in electronic form,  
 26 information” appear in asserted claims 1, 3, 6, and 19. In each of these claims, the unit  
 27 in communication with the central information bank contains a “memory for storing, in  
 28 electronic form, information transmitted to” the unit from the central information bank.



1 The unit in turn is configured to transfer information to the “electronic storage media” of  
2 system users. The parties’ proposed definitions are equivalent – both agree that the  
3 terms refer to the storage of information in an electronic format. The parties disagree  
4 sharply, however, over the meaning of “electronic.” Digeo contends that “electronic” is  
5 a generic term that covers a wide variety of storage media, including but not limited to  
6 computer hard drives, floppy disks, magnetic tapes, and compact disks. Audible  
7 contends that “electronic,” as it is used in the claims, covers only memory that stores  
8 information in the form of “electrical signals,” and excludes all other memory, including  
9 magnetic memories (such as hard disks, floppy disks, and magnetic tapes) and optical  
10 memories (such as compact disks).  
11

12 Digeo’s interpretation of the term “electronic” seems to the court to be consistent  
13 with the ordinary meaning of the term and its use in the claim language. Audible’s  
14 interpretation seems strained, but as the court is not of skill in the art of networked  
15 information systems, the court looks to the specification to illuminate the ordinary  
16 meaning.  
17

18 The court finds the specification inconsistent with Audible’s narrow  
19 interpretation. The patentees were aware of a broad range of storage mediums,  
20 including “tapes, diskettes, cartridges, laser disk[s],” and “compact disk[s].” ‘823 Patent  
21 at 1:22-23. In a list of storage mediums on which publishers might provide content for  
22 the invention, the patentees mentioned “magnetic or electronic disks, cartridges, or tape  
23 reels or compact disks, laser disks, tape cassettes, etc.” Id. at 3:62-63. Audible seizes  
24 upon the first “or” in the phrase, insisting that the patentees drew a distinction between  
25 “magnetic” media and “electronic” media. In Audible’s view, because the patentees  
26 only claimed “electronic” media, they surrendered all else.  
27  
28

1 In its briefs, Digeo contended that Audible's interpretation of "electronic storage  
2 media . . . would exclude any known computer-readable storage device." Digeo Reply  
3 Br. at 11. When the court echoed that concern at oral argument, Audible responded with  
4 a 12-page supplemental brief (Dkt. # 41) with extrinsic evidence showing that there is a  
5 species of media that is electronic, but not magnetic or optical, and that this species was  
6 known in the art during the prosecution of the '823 Patent. With apologies to  
7 Shakespeare, the court finds that Audible doth protest too much. The question is not  
8 whether specialized "electronic" media existed, but whether the patentees intended to  
9 limit the practice of their invention solely to such media. If they had so intended, one  
10 would expect the specification to indicate this choice with something other than a single  
11 ambiguous use of the word "or." If the patentees had so intended, one would expect the  
12 intrinsic evidence to contain a reference to the specialized "electronic" media. If the  
13 inventors intended to exclude the most common storage mediums (i.e., hard disks,  
14 floppy disks, and compact disks), the court expects that the inventors would have said  
15 so.  
16  
17

18 Moreover, the claims themselves suggest that the patentees were not concerned  
19 with specialized "electronic" media. Although several claims refer to the end user's  
20 media as "electronic storage media," e.g., Claims 1-5, several others refer simply to  
21 "storage media," e.g., Claims 11-14, 17-18, whereas others use the term "memory unit,"  
22 e.g., Claims 6-10, 27, 29-30. In Claim 19, the inventors simultaneously claimed the  
23 more general "storage media" with the supposedly more specific "electronic storage  
24 media." In claims depending from Claim 19, the patentees continued to switch between  
25 the two terms without explanation. If the court were to follow Audible's logic, it would  
26 be forced to conclude patentees sometimes chose to exclude a vast array of media, and  
27  
28

1 sometimes did not, and did so with no explanation whatsoever. The court finds this  
2 implausible.

3 Audible also points to the prosecution history in support of its proposed  
4 construction, but again asks the court to read too much into the inventors' choice of  
5 words. In a preliminary amendment at the outset of the '292 Application, the patentees  
6 inserted the word "electronic" to modify "storage media" in the claims. PH at 500-618-  
7 23. Nowhere in the history, however, is there a suggestion that the patentees were  
8 making a distinction between "electronic" media in the sense that Audible uses the term  
9 and other forms of media.<sup>5</sup> The patentees did not make the distinction in their remarks  
10 accompanying the preliminary amendment. PH at 500-628-33. The PTO did not  
11 acknowledge the distinction in rejecting the preliminary amendment. PH at 500-638-42.  
12 The patentees did not make the distinction in their response to the rejection. PH at 500-  
13 645-653. The PTO did not note any distinction when it allowed the claims as drafted in  
14 the preliminary amendment. PH at 500-655-56. As the court has already noted, there  
15 can be no prosecution disclaimer absent a clear and unambiguous disavowal of claim  
16 scope. The court finds no disavowal of claim scope inherent in the patentee's use of the  
17 word "electronic."

20 For the reasons stated above, the court concludes that "electronic storage media"  
21 means "memory configured to store information in a format that an electronic device can  
22 read," and that "storing, in electronic form, information" means "storing information in a  
23 format that an electronic device can read." The term "electronic" does not exclude  
24 magnetic or optical media such as hard drives, floppy disks, or compact disks.

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26 <sup>5</sup>Although Audible does not acknowledge it, the patentees used the phrase "storing, in  
27 electronic form" in their claims since they filed the '056 Application. PH at 500-435. This casts  
28 more doubt on Audible's assertion that they surrendered claim scope when they later added the  
word "electronic" to the claim phrase "storage media."

**D. “Information” means “Anything that Can be Represented in Electronic Form, Including Text, Sound Recordings, and Images.”**

Claims 1, 3, 6, 11, 17, and 19 use the term “information.” The ordinary meaning of this term is readily apparent, so much so that the best definition the court can give is a tautology. “Information” means “information.” Digeo’s proposed definition, “anything that can be represented in electronic form, including text, numbers, sound recordings, and/or visual representations,” follows the ordinary meaning and adds the limitation that the information be of the sort that one can represent in an electronic format. Audible does not argue that the ordinary meaning of the term is different, but insists that the patentees limited the claimed “information” to “content that is obtained from a publisher and that is visually perceived by a user.” Audible’s proposed construction presents two questions for the court: whether the invention covers only information that a user can see, and not information that a user can hear; and whether the claimed “information” is solely information that comes from a content publisher?

**1. Did the Patentees Limit Their Claims to Visual Information?**

The specification contradicts Audible’s claim that the ‘823 Patent covers only visually perceptible information. In describing the “Book Bank” unit in the system, the inventors explained that “[a]lthough the term Book Bank may imply ‘book-type’ material, such term is not so limited. The material may be of many types, such as movies, music, video, audio, and computer software material.” ‘823 Patent at 2:37-42. Nothing in the remainder of the specification suggests that the inventors reversed course and limited their invention to visually perceptible information.<sup>6</sup>

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<sup>6</sup>Although it is not dispositive of the issue, the court notes that the end user device that the ‘891 Patent covers contains a set of headphones. ‘891 Patent, Figs. 1-2. Headphones would be an unusual accessory if the patented system from which the device is to obtain information did not transmit information that a user could experience audibly.

1 Again, Audible relies on the prosecution history to provide what the specification  
2 does not. In a December 1995 pro se communication, Mr. Saigh stated that his  
3 invention “relates to the transmission, storage, and encryption of the software  
4 instructions and codes that will generate a visual image upon the monitor of the user  
5 reading device . . . .” PH at 500-585. Had Mr. Saigh been distinguishing his invention  
6 from a prior art reference relating to audible information, the court might accept his  
7 statement as evidence of a surrender of claim scope. Instead, he was distinguishing a  
8 reference that described a “Visual Interface for Retrieval of Electronic Formed Books.”  
9 PH at 500-584. Audible also notes that Mr. Saigh described his invention as a “network  
10 designed for the electronic transmission of intellectual properties . . . to one or more end  
11 users with the data to be viewed by the user . . . .” PH at 500-586. Once again, Mr.  
12 Saigh was distinguishing his invention over a reference describing electronic books, PH  
13 at 500-585, leaving the court with no basis to conclude that he was disclaiming coverage  
14 for non-visual information.  
15

16  
17 **2. Did the Patentees Limit Their Claims to Information Acquired from**  
18 **Publishers?**

19 The ‘823 Patent contains countless references to information of many types. One  
20 type is the media content (i.e., the “movies, music, video, audio, [or] computer software  
21 material” disclosed in Column 2) that publishers provide for distribution over the  
22 patented system. Another type is transactional information, including information  
23 related to the number of times a user copies an item on the network (e.g., Claim 7),  
24 information related to the length of time in which a user accesses an item from the  
25 network (e.g., Claim 14), and “information related to transactions performed by” the  
26 first unit of the local unit (Claim 11). Still another type is information stored on the  
27 user’s storage media that assists in encrypting information. Claim 3 (disclosing a “local  
28

1 unit further configured to utilize information stored on the electronic storage media to  
2 encrypt information”).<sup>7</sup> The specification contains numerous disclosures of each of  
3 these types of information.

4 Each of the foregoing examples illustrates that when the patentees wished to limit  
5 “information” to information of a particular type, they did so by including explicit  
6 language in the claim. Where claims cover solely transactional or encryption-related  
7 information, the limitation is unambiguous. But in discussing the “information” to be  
8 sent from the network to the user’s storage media, the patentees included no restriction  
9 limiting that information to information obtained from the publisher. For that reason,  
10 the court finds no basis for limiting the generic term “information” to information that  
11 comes from a publisher. See Johnson Worldwide, 175 F.3d at 989 (“[M]odifiers will  
12 not be added to broad terms standing alone.”).

13  
14 For the foregoing reasons, the court construes “information” to mean “anything  
15 that can be represented in electronic form, including text, sound recordings, and  
16 images.”  
17

18 **E. A “Fileserver” is “a Networked Device or Program that Manages Access to**  
19 **One or More Separately Stored Files.”**

20 As with the term “communicatively coupled,” Audible proposed that the term  
21 “fileserver” in Claim 11 is limited to a fileserver that operates over a “closed network.”  
22 The court has already addressed that contention. At oral argument, the parties conceded  
23 that there is no other material difference between their proposed definitions. The court  
24

---

25  
26 <sup>7</sup>Audible does not seek a construction of the term “information” as it is used to refer to  
27 the encryption-related information on the user’s storage media. Audible Br. at 22. Nonetheless,  
28 the court must assume, “unless otherwise compelled,” that the same claim term used in the same  
patent “carries the same construed meaning.” Omega Eng’g, Inc. v. Raytek Corp., 334 F.3d  
1314, 1334 (Fed. Cir. 2003).

1 therefore construes the term “fileserver” to mean “a networked device or program that  
2 manages access to one or more separately stored files.”

3 **F. A “Transactional Database” is a “Structured Computer Memory for Storing**  
4 **and Accessing Data Related to Transactions.”**

5 Claim 11 covers a “transactional database.” The specification explains that this  
6 database “records and stores information related to each transaction performed at each  
7 point-of-sale site,” and is capable of “transmit[ting] sales data to a requesting publisher.”  
8 ‘823 Patent at 2:7-12. Because the court finds no material difference between the  
9 parties’ proposed definitions, it construes the term to mean “a structured computer  
10 memory for storing and accessing data related to transactions,” as this definition reflects  
11 the ordinary meaning of the term and the disclosure of the database in the specification.  
12

13 **G. Construing the Encryption-Related Terms**

14 The terms remaining for construction all relate to encryption technology. In each  
15 claim in which a form of the verb “encrypt” appears, the verb’s direct object is  
16 “information,” and more specifically information transferred to a user’s storage media.  
17 ‘823 Patent Claims 1, 3, 6, 17, 19. As both parties’ proposed constructions demonstrate,  
18 to “encrypt” information is to alter the information in some way to prevent unauthorized  
19 access. This is consistent with the ordinary meaning of the term. Both parties agree that  
20 altering information by encoding or enciphering it is encryption. Audible contends that  
21 password or access code protection is not “encryption.”  
22

23 At oral argument, Digeo conceded that “encryption” in the patent requires some  
24 alteration of the information that the network transfers to the user’s storage media. It  
25 also argued, however, that the patent does not specify what “information” must be  
26 altered. As an example, counsel suggested that adding a “key” or “header” to a media  
27  
28

1 file and then scrambling the key or header during transfer would be a form of  
2 encryption.

3 **1. “Encrypt”**

4 The ‘823 Patent elaborates the meaning of “encrypt” in its discussion of the three  
5 levels of encryption it provides. ‘823 Patent at 15:18-20. The first is “pre-transport”  
6 encryption of information by publishers before it is placed into the network system. Id.  
7 at 15:19-23. The second level is encryption by the network before transmitting data to  
8 the “book bank” or other local units. Id. at 15:23-24. The third level is an encryption  
9 process that occurs when information is transferred from the book bank or local unit  
10 onto a user’s storage media. Id. at 15:29-31.

12 The patent devotes little discussion to the first two levels of encryption. Pre-  
13 transport encryption receives no attention. The second level of encryption, which is the  
14 initial encryption that the patented system performs, is intended to “make the data ready  
15 for being transmitted with less risk of unauthorized use while being transmitted through  
16 a communications network.” Id. at 5:64-66. The inventors note that “standard available  
17 encryption protocols” are available to perform this level of encryption. Id. at 6:1-3. The  
18 discussion of these “well-known encryption algorithms” shows that encryption is not  
19 merely protecting data from access with a password or authorization code. Id. at 15:59-  
20 6:9. Encryption requires enciphering the information.

22 The patentees often described the third-level encryption process as “dynamic  
23 encryption.” Dynamic encryption is a process that combines disparate sources of  
24 authorization into an encryption format that one can only decipher by reproducing the  
25 same combination of sources. The patent describes this concept in several ways:

27 A “dynamic” encryption process is utilized so that only the electronic  
28 reader associated with the user card used to access the information from



1 the Book Bank and download the information to the user storage cartridge  
2 can be utilized to display the information in an understandable text format.

3 Id. at 4:11-16.

4 Dynamic encryption refers to the process in which the Book Bank works  
5 together with the storage media to perform a proprietary encryption of  
downloaded data.

6 Id. at 15:18-20.

7 Specifically, [dynamic encryption ensures that] data storage medium  
8 accessible from one reader/computer will not be accessible using another  
9 reader/computer unless such access has been prearranged . . . .

10 Id. at 15:53-58.

11 The patent provides a single example of how to implement a dynamic encryption  
12 system, although it notes that many other methods are available. Id. at 16:10-12. The  
13 example provides for numbering the letters of the alphabet from 1 to 26, and then  
14 “shifting” each number a fixed number of spaces based on the last digit of a serial  
15 number electronically embedded in the user’s storage media. Id. at 16:12-43. The  
16 user’s password is then converted to a number that dictates intervals at which the code is  
17 re-shifted. Id. at 16:43-67. No one could decode the resulting data without both the  
18 user’s password and the last digit of the electronic serial number from the user’s storage  
19 media.  
20

21 The court notes that although the asserted claims of the patent are focused on the  
22 final level of encryption, that encryption process need not be the dynamic encryption  
23 process described above. Under the doctrine of claim differentiation, the court must  
24 construe an independent claim to avoid nullifying claims that depend from it, unless  
25 there is compelling evidence for a nullifying construction. Liebel- Flarsheim Co. v.  
26 Medrad, Inc., 358 F.3d 898, 910 (Fed. Cir. 2004) (“[T]he presence of a dependent claim  
27 that adds a particular limitation raises a presumption that the limitation in question is not  
28

1 found in the independent claim.”). Claim 1 requires a local unit “configured to encrypt”  
2 information at time of transfer to a user, whereas Claim 3, which depends from Claim 1,  
3 requires that the local unit be “further configured to utilize information stored on the  
4 electronic storage media to encrypt,” which is the defining feature of the “dynamic  
5 encryption” illustrated in the patent. ‘823 Patent at 15:14-16 (“Dynamic encryption  
6 refers to the process in which the Book Bank works together with the storage media to  
7 perform a proprietary encryption of the downloaded data.”). Thus, if Claim 1 required  
8 the dynamic encryption method exemplified in the written description, then Claim 3  
9 would be at least partially redundant. The court concludes that the bare term “encrypt”  
10 is not coextensive with “dynamic encryption.”  
11

12 The patent’s discussion of encryption reveals that while an encryption process  
13 can employ a password, it must ultimately encode information, not merely create a  
14 barrier to accessing the information. A process that merely required a password without  
15 altering information would not encrypt information. The patent claims do not, however,  
16 specify a particular type of “information” to be encoded, see supra Part III.D, and the  
17 court finds no basis in the intrinsic evidence for imposing such a limitation. The court  
18 therefore construes the term “encrypt” to mean “to encipher or encode by altering  
19 information.”  
20

## 21 **2. “Configured to Encrypt”**

22 The parties also seek an interpretation of “configured to encrypt.” The ordinary  
23 meaning of this phrase is “capable of encrypting.” The specification reinforces this  
24 meaning when it notes that the invention’s “delivery systems have the *capability* of  
25 performing dynamic encryption of data as the data is downloaded onto a user’s storage  
26 media.” Id. at 15:11-13 (emphasis added). Audible suggests that encryption is  
27 mandatory, but the court finds no support for that contention in the intrinsic evidence.  
28

1 As Digeo noted at oral argument, it might be preferable to encrypt all data transferred to  
2 an end user, but nothing in the patent requires it. “Configured to encrypt” means  
3 “capable of encrypting.”

4 **3. “Encryption Means for Dynamically Encrypting”**

5 Finally, the court must construe the term “encryption means for dynamically  
6 encrypting information” in Claim 6. Because the term contains the phrase “means for,”  
7 there is a rebuttable presumption that it is in the “means-plus-function” format of 35  
8 U.S.C. § 112. Gemstar-TV Guide Int’l, Inc. v. ITC, 383 F.3d 1352, 1361 (Fed Cir.  
9 2004). Although Digeo refuses to concede that “encryption means for dynamically  
10 encrypting” is in means-plus-function format, it also fails to provide evidence to rebut  
11 the presumption. The court must therefore construe the term under 35 U.S.C. § 112.  
12

13 Once a court has identified a means-plus-function claim, it must clarify what  
14 function the term recites, and then must hunt in the specification for “structure” that  
15 fulfills the stated function. Micro Chem., Inc. v. Great Plains Chem. Co., 194 F.3d  
16 1250, 1258 (Fed. Cir. 1999). A court must interpret a means-plus-function claim to  
17 encompass “all structure in the specification corresponding to that element and  
18 equivalent structures.” Id.

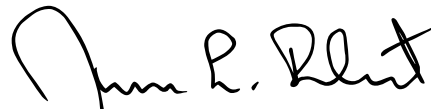
19  
20 In this case, the function is “dynamically encrypting” information, and the  
21 corresponding structure is structure to implement the only dynamic encryption scheme  
22 that the patent describes. The dynamic encryption method is the multi-tiered alphabet  
23 shifting approach described in the specification from Column 16 line 10 to Column 17  
24 line 27. The term “encryption means for dynamically encrypting” therefore means  
25 “structure (most likely software) for implementing the dynamic encryption method  
26 described from Column 16 line 10 to Column 17 line 27, and its equivalent structures.”  
27  
28

**IV. CONCLUSION**

Now that claim construction has concluded, the parties' next task is to exchange expert reports on infringement and invalidity issues. Under the court's current scheduling order (Dkt. # 14), the date for exchanging these reports is April 14, 2006. The court extends that date to April 26, and extends the date for rebuttal reports to May 26. All other dates set forth in the scheduling order shall remain the same.

Because the construction of these claims did not necessitate reliance on extrinsic evidence, the court DENIES as moot Audible's motion to exclude the expert testimony of Dr. John Strawn (Dkt. # 35).

Dated this 27th day of March, 2006.

A handwritten signature in black ink, appearing to read "James L. Robart", written over a horizontal line.

JAMES L. ROBART  
United States District Judge